

WANNA BE A MILLIONAIRE?

STEP 8: PUTTING IT ALL TOGETHER

SUMMING UP Becoming a Millionaire

Over the course of this incentive campaign, we've covered seven steps critical to a more secure financial future. These seven steps are not the be all end all, but together they can go a long way toward establishing a secure financial future. In this handout we'll ask the tough questions that pertain to each of these seven steps. Answer the questions as honestly as possible in order to make a realistic assessment of you financial security.

SEVEN STEPS TO A MORE SECURE FINANCIAL FUTURE

Step 1: Setting up a budget

Step 2: Saving money
every month

Step 3: Digging out of debt

Step 4: Becoming aisle wise

Step 5: Using plastic wisely

Step 6: Deciding how to buy
your automobile

Step 7: Setting up a will



Step 1: Setting up a budget. The first handout in this series covered the importance of setting up a budget. We talked about both the benefits and barriers to budgeting and provided a worksheet to help you get started. There's really only one question of critical importance here: "Are your finances budgeted?"

Step 2: Saving money every month. The second step we addressed in this program was saving. We looked at ways to save at work such as 401(k) accounts, and also addressed the importance of saving on your own. Financial experts recommend that we save at least 10% of our take home pay. The obvious question is: "How much of your income are you currently saving?"

Step 3: Digging out of debt. In this handout you read about several strategies that can be useful in the quest to reduce and stay atop of debt. Americans are carrying more debt than ever before, but it doesn't have to be that way—digging out is possible! Financial experts recommend that our personal debt, not including a mortgage, should be less than 20% of our annual take home pay. So..."How's your debt, and do you have a plan in place to manage it?"

Step 4: Becoming aisle wise. Nearly one third of family spending is put toward groceries and other household items. Knowing this statistic provides the incentive to really get thrifty in the aisles. The opportunity here is to cut spending. The grocery store has become a pretty compelling place, full of opportunities to buy, buy, buy. In fact, a fair amount of strategy goes into soliciting our dollars once we're inside. To be sure, it will take a fair amount of strategy to save at the

grocery store. "How's your spending in the aisles?" "Are you using a list to select items?" "Leaving the kids at home?" "Cutting down on your extra trips during the week?"

Step 5: Using plastic wisely. Spending money with credit, debit, and ATM cards has become common practice. And why not, this kind of spending is easy and convenient—perhaps too convenient. In fact, credit card balances now average a staggering \$5,000 per household. "Are you using plastic wisely?" "How much credit card debt is your household carrying?"

Step 6: Deciding how to buy your automobile. This decision is a big one. In the handout we covered the pros and cons of all three methods of automobile purchase—loan, lease, and cash. There is no one right decision for everyone—it depends on your specific situation. You'll have to look at your needs and make the best decision. The question that begs to be answered is: "Are you

getting the most bang for your buck?"

Step 7: Setting up a will. Setting up a will is critical to the financial viability of your family. The corresponding handout detailed how important it is to plan for the end of your life—for the sake of your family and yourself. "Do you have a will?"

"Every morning I get up and look through the Forbes list of the richest people in America. If I'm not there, I go to work."

—ROBERT ORBEN

The Bottom Line

To be perfectly honest, the majority of us will never become millionaires. But, with a little work, we can manage our financial lives well enough to live well, limit the stress of personal finance, and retire comfortably. Try to implement as many of the seven steps presented in this series as possible—your financial health depends on it.

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QUESTION 8:

*At the close of 1999 the top 5 richest Americans
had amassed huge fortunes. How much
were they worth collectively?*

- ☐ **A) 67 billion**
- ☐ **B) 108 billion**
- ☐ **C) 199 billion**
- ☐ **D) 289 billion**

NAME